



DIVISION OF FINANCIAL AND ADMINISTRATIVE SERVICES AND OFFICE OF SPECIAL EDUCATION

***Charter School Administrative
Summit ~ September 21, 2012
SPECIAL EDUCATION FINANCE***

September 2012

Missouri Department
of Elementary and Secondary Education

Special Education Finance Handouts

1. PowerPoint Slides for Charter School Update on Special Education Finance
2. FY13 Special Education Finance Due Dates
3. Part B Federal Expenditure Requirements Quick Guide
4. Maintenance of Effort (MOE) Worksheet
5. Charter School Significant Expansion of Enrollment Part B Allocation Recalculation guide
6. Listing of Resources/Important Website Links



STAFF	CONTACT INFORMATION
Angie Nickell Director	<u>angie.nickell@dese.mo.gov</u> (573) 751-4385
Gary Sanders Assistant Director	<u>gary.sanders@dese.mo.gov</u> (573) 526-5283
Michele Fehlings Supervisor	<u>michele.fehlings@dese.mo.gov</u> (573) 751-7022
Michael Dierking Supervisor	<u>michael.dierking@dese.mo.gov</u> (573) 522-2523
Sandy Kliethermes Data Specialist	<u>sandy.kliethermes@dese.mo.gov</u> (573) 751-0623
John Underwood Data Specialist	<u>john.underwood@dese.mo.gov</u> (573) 751-6904
Lindsay Thomas Administrative Assistant	<u>lindsay.thomas@dese.mo.gov</u> (573) 751-0622

IDEA Part B Federal Expenditure Requirements



Federal Part B IDEA Funds

5



IDEA Part B Entitlement funds (Section 611) are Federal funds your District/LEA receives to help support your special education program and implement IDEA.

2012-13 \$180 million Regular Part B “flow through” funds for Districts/LEAs.



Permissive Use Of Part B Funds (34 CFR §300.208)

6

- Costs of Special Education and Related Services
- Supplementary Aids and Services
- Administrative Case Management
- Coordinated Early Intervening Services (CEIS)



Part B IDEA Requirements

7

- Assurances
- Excess Cost (Verification of)
- Maintenance of Effort
- Supplement – NOT Supplant
- Office of Management and Budget (OMB) Circular A-87 Certifications/Time and Effort Logs
- Inventory Control for items purchased with IDEA funds
- Capital Costs
- Prorating Expenditures



Part B IDEA Requirements (con't)

8

- CEIS if LEA has a determination of significant disproportionality
- Education Department General Administrative Regulations (EDGAR)
- Payment Requests-timing issues
- Tracking Federal Expenditures

More information regarding Part B IDEA Requirements can be found at:

<http://dese.mo.gov/divspeced/Finance/partbentitlement.html>



Excess Cost (34 CFR §300.202)

- IDEA Part B funds may be used only to pay excess costs of providing special education services to children with disabilities.
- Excess costs are costs for educating disable students that are in excess of the average annual per-pupil expenditure in an LEA during the preceding school year.
- LEA must spend at least the minimum average amount for the education of its children with disabilities from state/local funds before Part B funds are used.
- Districts must document that children receiving special education services cost more than those in regular education.



Excess Cost Calculation

- The Department will calculate the Excess Cost each year for LEAs sometime after the beginning of January.
- The Excess Cost calculation is more stringent this year than it has been in the past.
- Failure to meet the Excess Cost requirement could result in the LEA returning expended federal funds.



Maintenance Of Effort (MOE)

(34 CFR §300.203)

11

Funds provided to a District/LEA under Part B must not be used to reduce the level of expenditures for the education of children with disabilities made by the District/LEA from local funds below the level of those expenditures for the preceding fiscal year.



Maintenance of Effort (MOE)

District/LEA is required to spend the same amount in **total** or **per capita (child) basis** for students with disabilities as it spent from those same sources in the prior year of either:

- ☐ Local Funds only 

OR

- ☐ Combination: State and Local Fund 



Calculating MOE

Include ONLY special education expenditures paid from non-federal sources

Do Not Include Expenditures Paid With:

- ☐ Federal Part B
- ☐ Medicaid
- ☐ Federal High Need Fund
- ☐ Federal Grants

See Handout #4-Maintenance of Effort Worksheet



IDEA Part B Allocations



Charter School Allocations

Allocations are the sum of these three calculations:

- **Base Amount—Multiply the Number of IEPs in the Charter School’s first year of existence by a rate of \$518.60**
- **Population—Multiply the September Enrollment by the current year Part B statewide “Increase for Population Rate”**
- **Poverty—Multiply the September Free/Reduced Lunch Count by the current school year Part B statewide “Increase for Poverty Rate”**



FY13 Timeline for Expanded Charter Allocation

Early November:

- DESE pulls following data from October Core Data cycle:
 - Actual September 2012 Enrollment
 - Actual September 2012 FRL count
- **Late November:**
- DESE calculates revised allocations for expanded Charters;
- DESE creates a budget revision and notifies expanded Charter Schools of revised allocations;
- Charter Schools must amend their Part B Application to refresh allocations and re-budget amounts.



Allocation Calculation

All Other Charters

Other Charter Schools' (not new or significantly expanded) Part B Allocations are performed with the regular LEA statewide calculations in the spring.



Special Education Expenditure Coding

INFORMATION FOR YOUR BOOKKEEPER

Missouri Financial Accounting Manual

http://dese.mo.gov/divadm/finance/acct_manual/CompleteAccountingManual.html



Mo Financial Accounting Code Structure

The overall code structure is designed to standardize account coding across all LEAs. It creates a common language for use in controlling, recording, accumulating and reporting activities of school districts.



Expenditure Function Codes

- Function codes describe the action, purpose or program for which funding is used.
- Function codes are based on either:
 - Uses of the revenues providing for services, or
 - Statutory or administrative rule requirements for usage.



2012-13 Function Codes

Description	Function Code
Special Education and Related Services	1221
Coordinated Early Intervening Services	1223
Proportionate Share Services	1224
Tuition, Severely Disabled Program Within the State	1931
Professional Development	2200
Transportation and Maintenance	2500
Facility Acquisition and Construction	4000

Expenditure Object Codes

- Object codes identify the service or item obtained with specific funding.
- Object codes are based on how a particular expenditure is paid out or planned to be paid out.



Object Codes

Description	Object Code
Certificated Salaries	6100
Non-Certificated Salaries	6150
Employee Benefits	6200
Purchased Services	6300
Materials and Supplies	6400
Capital Outlay (including equipment)	6500

Separate Tracking



All federal funds MUST be tracked separately from other funding sources.

❑ EDGAR 74.21(2)

- Records that identify adequately the source and application of funds for federally-sponsored activities.

❑ EDGAR 75.702

- A grantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds.

❑ MO Financial Accounting Manual

- Federal funds generally require separate identification and reporting within the LEA's audit report.



Source/Project Codes

Examples:

- 41 – Federal IDEA Part B Entitlement Funds
- 42 – Federal Competitive Improvement Grant
- 10 – State Special Education Funding
- 01 – Local Funding Sources



Source/Project Codes

- The key to successful project accounting is to *avoid the commingling of funds.*
- A source/project code should be used on *all* transactions for a particular project (ie special education services):
 - Pre-Set Codes defined by accounting manual; or
 - District/LEA may use own code.
- Helpful in separate tracking of expenditures for:
 - Special Education Maintenance of Effort (State/Local)
 - Special Education IDEA Part B Expenditures (Federal)



Source/Project Code Examples

Special Education Teacher Example:		
Function Code	Object Code	Source of Funds/ Project Code
1221-	6100-	41
(Special Education)-	(Certificated Salaries)-	(Federal Entitlement)
Special Education Contracted Transportation Example:		
Function Code	Object Code	Source of Funds/ Project Code
2500-	6300-	10
(Special Education)-	(Contracted Transportation)-	(State)
Proportionate Share Speech Language Therapist Example:		
Function Code	Object Code	Source of Funds/ Project Code
1224-	6100-	41
(Proportionate Share)-	(Certificated Salaries)-	(Federal Entitlement)

Fiscal Monitoring

Tiered Monitoring Process

<http://dese.mo.gov/ls/index.html>

Cash Management Plan

<http://dese.mo.gov/fas/CashManagementPlan.html>



FY13 Due Dates

Title	Services Year	Due Date
FY13 Part B Budget Application	2012-13	July 1, 2012
FY12 ECSE Expenditure Report	2011-12	Sept. 17, 2012
FY12 Part B FER	2011-12	Sept. 30, 2012
Coordinated Early Intervening Services (CEIS) Report	2011-12	Sept. 30, 2012
Public Placement Fund Application	2011-12	Oct. 31, 2012
High Need Fund Application	2011-12	Nov. 30, 2012
Readers for the Blind Application	2012-13	Nov. 30, 2012
Request to Release Prop Share Carryover Funds	2012-13	March 1, 2013